KNOWLEDGE AND INNOVATION TRANSFER IN AGribusiness

Monograph

Belgrade, 2018
Preface

Today, more than ever, development of agriculture leans on science research results and their practical application. Research in the field of agriculture are conducted by large network of public institutions, institutes and universities and are mostly directed toward improvement of production. Economical research, at the level of husbandry, market analysis, or analysis and estimations of economic policy is poorly developed. Profitability of agriculture and food industry should be improved and supported by adequate research and application of gained results. Experience acquired in research and education systems of post-communist countries can help these countries change their economy towards knowledge, innovations and new technologies. But, in spite of great number of research workers and successful education system inherited from the communist period, it would be difficult for countries that were part of East Block to turn these potential advantages into commercially successful innovations unless universities and research institutions cooperate closely with private sector, what implies restructuring research system towards adjustment to agro-economy needs.

For development of science, staff education and organization of professional-advising department, it is necessary to provide suitable legal basis, especially Law on professional-advising department, quality control and etc. Today, more than ever, development of agriculture leans on science research results and their practice application. Researches in the field of agriculture are conducted by large network of public institutions, institutes and universities and are mostly directed toward improvement of production. Network economy is a new enterprise organizational-process model, which is developed owing to new constituent elements. It significantly changes performances of international trade and competition in general. According to that, there are some models of networking contribute to widening of innovations and improvement of competitiveness of agro sector of Serbia.

Part of the monograph written by Branko Mihailović is from 1 to 187 page, and part of the monograph written by Tomislav Brzaković is from 188 to 326 page. The monograph represents a part of the research at the project III - 46006 – Sustainable agriculture and rural development in terms of the Republic of Serbia strategic goals' realization within the Danube region, funded by the Ministry of Education, Science and Technological Development of the Republic of Serbia.

Authors
## Contents

**INTRODUCTION**

1. **BUSINESS KNOWLEDGE AND INNOVATION TRANSFER THROUGH CONSULTING**

1.1. The concept and importance of consulting ........................................ 4  
1.2. Forms and methodology of consulting ............................................ 7  
1.3. The regulatory and institutional factors of development of consulting in Serbia ...................................................... 9  
1.4. Capacity building for non-financial support to enterprises .......... 11  
1.5. Supply of the consulting services in Serbia .................................... 14  
1.6. Structure of the consulting organization ......................................... 20  
1.7. Models of payment for the consulting services in Serbia ............ 21  
1.8. Investments in marketing and managerial support .................... 24  
1.9. Terms and effects of small consulting organizations' networking ... 24  
1.10. Used consulting techniques and basic difficulties in work with the clients ........................................................................ 27  

2. **INOVATIVE MODELS OF NETWORKING IN AGRICULTURE OF SERBIA**

2.1. Development, nature and characteristics of cooperatives in Serbia ................................................................. 32  
2.2. Structure and factors of clusters development .......................... 35  
2.3. Business incubators as an assumption of Serbian agrarian sector development ...................................................... 38  
2.4. Other forms of networking in agrarian sector ......................... 40  
2.5. Marketing consulting and agrarian clusters in Serbia ............... 41  
2.6. The “Balanced Score Card“ approach ...................................... 47  
2.7. The “Consultant’s Score Card“ approach ................................ 48  
2.8. Using services of marketing consulting in the agrarian clusters in Serbia .......................................................... 50  
2.9. Types and funding of marketing consulting in the agrarian clusters in Serbia ......................................................... 53  
2.10. Criteria of selecting a marketing consultant ............................ 54  
2.11. Types of business problems .................................................... 55  
2.12. Impact of marketing consulting on the agrarian clusters performances ......................................................... 56
3. THE IMPACT OF GLOBALIZATION AND TECHNOLOGY ON AGRIBUSINESS IN TRANSITION................................................. 62

3.1. Challenges of globalization in modern business.......................................................... 63
   3.1.1. Global business environment........................................................................... 66
   3.1.2. Global competition......................................................................................... 69
   3.1.3. Technological development and globalization..................................................... 71

3.2. Globalization and the transitional countries............................................................... 72
   3.2.1. Effects of basic privatization models.................................................................. 73
   3.2.2. Transition indicators in selected economies........................................................ 75
   3.2.3. Solutions and recommendations....................................................................... 77

3.3. Critical factors for risk reduction in the Serbian agri-food sector............................. 82

3.4. Institutional risks in the agri-food sector in Serbia..................................................... 85

3.5. Financial risks........................................................................................................... 89

3.6. Market risks.............................................................................................................. 92

3.7. Technical risks.......................................................................................................... 94

3.8. Production risks........................................................................................................ 95

3.9. Networking scientific-research and consulting activities in the function of minimizing risk in agriculture.................................................... 96

3.10. Associating of farmers as a response to increased risks in the agri-food sector in Serbia...................................................................................................................... 98

4. HARMONIZATION OF SERBIAN AGRARIAN POLICY WITH CAP AND AND CONSULTANCY SUPPORT............... 102

4.1. Reform of agrarian policy in Serbia............................................................................. 104

4.2. The negotiations with the EU and objectives of agrarian policy in providing support for agriculture in Serbia................................................................. 108

4.3. Comparative analysis of compliance Serbian agrarian policy with the CAP.......................................................... 111

4.4. Basic "axis" of rural development policy..................................................................... 113

4.5. Consulting support to the harmonization of agrarian policy with CAP.......................... 117

4.6. Ecological management consulting......................................................................... 119

4.7. Concept of sustainable development......................................................................... 122

4.8. Organic production in Serbia.................................................................................... 126

4.9. Consultants for a quality management system.......................................................... 127

4.10. Financial consulting as a factor of company development .............................. 132
   4.10.1. Nature and significance of financial consulting.................................................. 135
   4.10.2. Elements of proper financial-accounting analysis............................................. 137
   4.10.3. Consulting in company mergers and acquisitions......................................... 139
   4.10.4. Role of consulting in financial restructuring of a company.............................. 141
5. MARKETING OF AGRICULTURAL AND FOOD PRODUCTS AND PERSPECTIVE OF THE RURAL TOURISM IN SERBIA

5.1. Development of a brand as a factor of Serbian competitiveness
5.2. Need to brand the agro-food products in Serbia
5.3. Characteristics of rural areas in Serbia
5.4. Crop production
5.5. Fruit and grape production
5.6. Export markets and export products of Serbian agriculture
5.7. International marketing program of agri-food products
5.8. Rural tourism and standardization of agricultural production
5.9. Global marketing environment and tourism
  5.9.1. Global tourist trends
  5.9.2. Social and cultural environment
  5.9.3. Economic environment
  5.9.4. Competitive environment
  5.9.5. Political environment
  5.9.6. Natural environment
5.10. The role of segmentation and positioning in the development of modern tourist market in Serbia
  5.10.1. Performances of tourism sector in the republic of Serbia
  5.10.2. Segmentation of tourist market in Serbia
  5.10.3. Positioning strategy of Serbian tourist products
5.11. Marketing services the hotel and restaurant
5.12. Perspective of the rural tourism in Serbia

6. KNOWLEDGE TRANSFER THROUGH THE FORMULATION AND IMPLEMENTATION OF AGRICULTURAL DEVELOPMENT STRATEGIES IN SELECTED MUNICIPALITIES

6.1. Highly-educated labour force as a factor of agricultural development of the Danube region
  6.1.1. Educational structure of population in the Danube district
  6.1.2. Creation and cancellation of jobs by the regions
  6.1.3. Trends on labour market of the Danube region
  6.1.4. Technological potential of food industry
  6.1.5. Restructuring of agricultural enterprises of the Danube region as an indicator of need for highly-educated personnel
  6.1.6. Development of human capital in agribusiness and more significant social inclusion
6.2. Strategic planning of agricultural and food industry development of the city of Smederevo

6.2.1. Place of the agriculture and agro industry in the economy of the city of Smederevo

6.2.2. Knowledge transfer and agro technical equipment

6.2.3. Storage and processing capacities in agriculture

6.2.4. Food industry

6.2.5. Formulation of strategic goals and main directions of activities

6.3. Strategic planning of sustainable development of agriculture of Lajkovac Municipality

6.3.1. The structure of the economy of the Municipality

6.3.2. Importance and role of agriculture and agro-industry in the municipal economy

6.3.3. Development priorities and strategic measures in the agriculture of the Municipality

6.4. Strategic planning of sustainable development of agriculture of Stara Pazova Municipality

6.4.1. Transfer of knowledge and innovation

6.4.2. Agriculture technical equipment

6.4.3. Storage and finishing capacities for agriculture

6.4.4. Development priorities

6.5. Strategic planning as support to developing agriculture of the City of Novi Sad

6.5.1. Indicators of agricultural development

6.5.2. Demographic characteristics and trends in rural settlements

6.5.3. Agro technical equipment

6.5.4. Formulation of strategic goals and main activities

CONCLUSION

BIBLIOGRAPHY

REVIEW